

Executive Registry

67-4736

CENTRAL INTELLIGENCE AGENCY

Memorandum of Conversation

DATE: 9 OCT 1967

SUBJECT : Possible Further Budget Reductions

PARTICIPANTS: House Committee on Appropriations
Mr. Robert L. Michaels, Staff Member

CIA

Colonel L. K. White, Executive Director-Comptroller

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1. On 6 October 1967 at his request I telephoned Bob Michaels to discuss with him the possibility of further reductions in CIA's Fiscal Year 1968 budget. I told Bob that I understand the problem Chairman Mahon has on his platter and that we will certainly do our best to comply with his wishes whatever they are.

2. I then reminded Bob that we have already squeezed [] million out of Fiscal Year 1968 programs in order to accommodate certain projects [] on a full-year basis. He did remember this. I then said that we have received some cables from the field which indicate that we might have a considerable shortfall in funds for expenditures for the "other war" (Laos) in the Far East. In addition, a certain sensitive program (OXCART), which was scheduled to be phased out the end of this year, might be extended for three months at a cost to the Agency of [] for which we have not budgeted. I said that, all in all, I am fearful we might have to tap the Reserve very heavily or get in on a supplemental appropriation in order to see the year through.

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3. Bob said he completely understands the situation and does not anticipate that we will be asked to come down to supply further details. I told him that we would be more than happy to come if the Chairman so desires.

[]
L. K. White

Executive Director-Comptroller

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